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Financial Eligibility Standards

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363.000: Introduction

A food stamp assistance unit shall meet both income and asset eligibility criteria to participate in the Food Stamp Program. This chapter identifies the income and assets that must be counted in determining eligibility as well as those that are noncountable.

363.100: Assets

Assets are items of value that may be converted into cash. All of the assistance unit's assets shall be counted in determining eligibility unless specifically exempted by 106 CMR 363.140.

Liquid assets include, but are not limited to, cash on hand, bank deposits, securities, lump sum payments and IRAs and certain Keogh plans. The current value of all countable liquid assets shall be verified.

Nonliquid assets are those that are not readily convertible to cash. These include land, buildings, and any real property. The countable value of a nonliquid asset shall be its equity value. An asset's equity value is its fair market value less any encumbrances.

The equity value of nonliquid assets shall be verified when information provided by assistance unit members is inconsistent with statements made by the assistance unit, with information on the current or previous applications, or with information known to the AU Manager.

For assistance units containing sponsored noncitizens, the assets of the sponsor and the sponsor's spouse, if living with the sponsor, shall be deemed assets to the assistance unit in accordance with 106 CMR 362.260 and 362.270.

The primary source of verification of all assets shall be documentary evidence. An alternate source of verification such as a collateral contact or home visit shall be used in accordance with 106 CMR 361.640 when documentary evidence is unavailable.

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The total value of countable liquid and nonliquid assets owned by an assistance unit shall not exceed the following:

- (A) \$3000 for any assistance unit that includes at least one member who is:
  - (1) aged 60 or over; and/or
  - (2) disabled as described and verified in accordance with 106 CMR 361.210 (A) and (B)
- (B) \$2000 for all other assistance units.

The asset eligibility standards of this section will be applied to noncategorical TAFDC, SSI, and/or EAEDC assistance units, and NPA assistance units. TAFDC, SSI, EAEDC and other TANF eligible individuals or assistance units categorically eligible in accordance with 106 CMR 365.180 do not have to meet the asset eligibility standards or definitions in this section. The assets of an assistance unit member who receives TAFDC or SSI benefits and who is not a member of a categorically eligible assistance unit shall be considered exempt for food stamp purposes, in accordance with 106 CMR 363.140(G)(5). At application, the assistance unit shall report all assets owned or anticipated to be received during the certification period. All assets shall be documented on the application in sufficient detail to allow a determination of equity value to be made.

At the interview, the assistance unit shall report any changes in assets that have occurred since the application form was completed or that are anticipated to occur. Assets owned at the time of application/recertification shall be used to determine if the assistance unit's countable assets are within eligibility standards.

363.120: Jointly Owned Assets

- (A) Assets owned jointly by separate assistance units shall be considered available in their entirety to each assistance unit unless the applicant or recipient assistance unit can demonstrate that the asset is inaccessible to that assistance unit. If the assistance unit has access to only a portion of the asset, the value of that portion shall be counted toward the assistance unit's asset level. The entire asset shall be deemed unavailable or inaccessible to the assistance unit only when the asset cannot practically be subdivided and the assistance unit's access to the value of the asset is dependent on the agreement of a joint owner who refuses to comply. For purposes of this section, ineligible aliens or disqualified individuals residing with the assistance unit shall be considered assistance unit members.
- (B) Jointly owned assets shall be considered inaccessible to persons residing in shelters for battered women and children, as defined in 106 CMR 365.550, if:
  - (1) the assets are jointly owned by such persons and by members of their former assistance unit; and
  - (2) the person's access to the value of the asset is dependent on the agreement of a joint owner who still resides in the former assistance unit.

363.130: Countable Assets

Countable assets are all those that must be included in determining the total value of the assistance unit's assets. If an asset is jointly owned, the value available to the assistance unit shall be determined in accordance with 106 CMR 363.120. Assets shall be distinguished from income as defined in 106 CMR 363.200.

Assets that shall be counted in the determination of financial eligibility include, but are not limited to, the following:

(A) Cash(1) Definition

Cash is currency, checks, or bank drafts in the possession of, or available to, the assistance unit.

(2) Verification

The amount of cash shall be countable at application, recertification, and when a change is reported.

The assistance unit member's declaration on the application stating the amount of cash available to the assistance unit shall be sufficient evidence.

(B) Bank Deposits(1) Definition

Bank deposits are deposits in a bank, savings and loan institution, credit union, or other financial institution. Bank deposits may be in the form of savings, checking, trust accounts, term certificates, or other types of accounts.

Funds in a bank account shall be considered available only to the extent that the assistance unit has both ownership of and access to the funds.

(2) Joint Accounts

If an assistance unit member is a co-holder of a joint bank account, the entire amount on deposit shall be considered available as an asset unless the applicant or recipient demonstrates otherwise.

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An assistance unit member who states that he or she is not the owner, or is only partial owner, of the funds shall be required to demonstrate the ownership of the funds. An assistance unit member who states that he or she has no access, or only partial access to the funds, shall be required to demonstrate such lack of access.

(3) Verification of Access to and Ownership of Bank Deposits

If lack of either access to or ownership of the funds in the account is verified, the funds shall not be considered available as an asset.

Verification that an assistance unit member lacks access to and ownership of the funds may be demonstrated by the assistance unit member's having his or her name removed from the account. If the assistance unit member cannot remove or chooses not to remove his or her name from the account, then lack of either access or ownership must be verified.

- (a) Prior to determining lack of ownership, there shall be a determination of whether the assistance unit member has access to the account. (See 363.140(F): Inaccessible Assets). If lack of access is demonstrated, the funds are not available.

If the verification submitted does not demonstrate lack of access, the AU Manager shall proceed to determine ownership.

- (b) Verification that the assistance unit member lacks ownership of, or has only partial ownership of, the funds in the account shall be demonstrated by at least two (2) of the following:
1. Documents showing the origin of the funds, who opened the account, or whose money was used to open the account;
  2. Documentation through federal or state tax records as to which of the joint account holders declares the tax on the interest credited to the account as income;
  3. Records of who makes deposits and withdrawals and, if appropriate, of how withdrawn funds are spent;
  4. Any reasonable evidence of written or oral agreements made between the parties listed on the account or by someone who established or contributed to the account, with respect to the ownership of the funds in the account;

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5. When the assistance unit member states that (s)he does not own the account but is listed as a co-holder solely as a convenience to the other co-holder to conduct bank transactions on his or her behalf, evidence of the age, relationship, physical or mental condition, or place of residence of the co-holder shall be provided;
6. Evidence as to why the assistance unit member is listed on the account;
7. A signed, notarized statement from the assistance unit member and from at least a) other individuals listed in the joint account or b) a person who established or contributed to the account, stating that the applicant or recipient had no knowledge of the existence of the account; or
8. If only one (1) of the above is available and if the other individual(s) listed on the account is unavailable or is unable or unwilling to provide a statement, the second proof may be a signed statement from the applicant or recipient attesting under penalties of perjury as to the ownership of funds in the account.

A document or piece of evidence submitted to verify a particular fact shall not count as more than one verification under the above subsections. However, a document, piece of evidence or a statement may address more than one fact needed for verification.

If an assistance unit member would be required to pay to obtain documents or other verification and no other method of verification is available, the Department, if it determines the document is necessary, shall obtain the documents.

(4) Verification of Account Balances

Verification of the current balance of each account is mandatory prior to initial certification, at recertification, and at times of reported change.

The amount on deposit shall be verified by bank books or bank statements that show the bank balance within 45 days of the date of initial certification or the recertification date.

If at recertification the assistance unit member declares a balance of \$25 or less in an account, other than a checking account, verification shall not be required provided a balance of \$25 or less was verified for the same account at the last eligibility determination and the account balance, in combination with other countable assets, would not affect continued eligibility. The assistance unit's declaration shall be recorded in the case record.

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If lack of either access to, or ownership of, funds in an account is verified, the funds shall not be considered a countable asset.

(C) Securities(1) Definition

Securities are stocks, bonds, options, futures, contracts, debentures, mutual and money market fund shares, government, bank, corporate or promissory notes and other financial instruments. Tradeable securities are valued at the most recent closing bid price, and non-tradeable securities are valued at current equity value. A security for which there is no market or which is inaccessible shall be noncountable.

(2) Verification

Verification of the current value of each security is mandatory at application, recertification, and when a change is reported. The number of securities owned shall be substantiated by the written statement of the assistance unit.

Any one of the following shall be sufficient verification of the value of the security:

- (a) a statement from the individual, corporation, licensed stockbroker, bank, or government agency that issued the security.
- (b) a clipping from a current daily newspaper showing the date and closing bid price.
- (c) a statement from any bank or other financial services institution able to verify the current value of a particular security.
- (d) documentation from a current financial publication.

A claim that a particular security has no market value shall be verified by one of the verifications listed above.

A claim that a particular security is inaccessible shall be verified by:

1. a copy of the original legal instrument that established the inaccessibility; or
2. relevant legal or financial statements that document the inaccessibility of the security, if the original legal instrument is not available

(D) Individual Retirement Accounts and Keogh Plans(1) Definition

An Individual Retirement Account (IRA) is a tax deductible savings program that sets aside money for retirement. Funds in an IRA are counted as an asset in their entirety less the amount of penalty for early withdrawal.

A Keogh Plan is a retirement plan established by a self-employed individual. A Keogh Plan may be established for the self-employed individual alone or for the self-employed individual and his or her employees. If the Keogh Plan was established for the self-employed individual alone, the funds in the Plan are counted as an asset in their entirety less the amount of penalty for early withdrawal. If the Keogh Plan was established for employees who are not assistance unit members as well as for the self-employed individual, the funds are not counted as an asset.

(2) Verification

Verification of the current value of the IRA or Keogh Plan is mandatory prior to initial certification, at recertification, and when a change is reported.

The amount of the funds available to the assistance unit shall be verified by a written statement from the financial institution, dated within 45 days of the application or recertification date.

(E) Nonrecurring Lump Sum Payments(1) Definition

Money received in the form of a nonrecurring lump sum payment includes, but is not limited to, income tax refunds; rebates or credits; retroactive lump sum Social Security benefits, public assistance, and railroad retirement benefits; lump sum insurance settlements; and refunds of security deposits on rental property or utilities. These payments shall be counted as an asset in the month received, unless specifically exempt as an asset in 106 CMR 363.140.

When the receipt of the lump sum payment puts an assistance unit's total assets over the asset eligibility limit, the AU Manager shall notify the assistance unit and shall allow the assistance unit to update its entire asset statement. If the assistance unit declines to update the asset information, the AU Manager shall begin action to terminate the assistance unit's eligibility in accordance with 106 CMR 366.200.



(2) Verification

Lump sum payments shall be verified by one of the following:

- (a) a copy of the benefit or award letter;
- (b) a copy of the check or payment document;
- (c) a written statement from the agency or person making the payment.

(F) Land or Buildings(1) Definition

The equity value of all land or buildings not exempt under 106 CMR 363.140(A) and (E) shall be counted in the determination of the assistance unit's eligibility.

Equity value is the fair market value less encumbrances.

(2) Verifications

The fair market value and equity value of all countable land and buildings owned by the assistance unit exclusive of the home and lot as defined in 106 CMR 363.140 (A) shall be verified prior to initial certification and at recertification when the information provided by the assistance unit is questionable and affects the assistance unit's eligibility or benefit level.

Fair market value shall be verified by a copy of the most recent tax bill or the property tax assessment that was most recently issued by the taxing jurisdiction, provided the assessment is not:

- a special purpose assessment;
- based on a fixed rate per acre method; or
- based on an assessment ratio or providing only a range.

In the event that a current property tax assessment is not available or the assistance unit wishes to rebut the fair market value determined by the Department, a comparable market analysis or written appraisal of the value of the land or buildings from a knowledgeable source shall establish the fair market value. A knowledgeable source shall be a licensed real estate agent or broker, a real estate appraiser, bank, savings and loan association, or similar organization, or an official of the local real property tax jurisdiction. The assistance unit shall be notified in writing of procedures to rebut the Department's fair market value determination.

If the lender is an organization, the verification of encumbrances on the land or buildings shall be by copies of loan instruments or other documents which evidence the outstanding balance of the loan. If the lender is an individual, the amount of the encumbrance shall be verified either by a copy of the loan instrument and a signed statement from the lender setting forth the payment schedule and outstanding balance of the loan, or other documents which evidence the outstanding balance of the loan.

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The following assets are not countable when determining the total value of assets available to an assistance unit.

(A) Home and Lot

The home and surrounding property that is not separated from the home by intervening property owned by others is noncountable.

- (1) Property separated from the home by a public right of way, such as a road, is noncountable.
- (2) The home and surrounding property shall remain noncountable when temporarily unoccupied for reasons of employment, training for employment, illness, vacation, or uninhabitability caused by casualty or natural disaster, provided the assistance unit intends to return.
- (3) The value of a lot purchased (or in the process of being purchased) to build a home is noncountable if the assistance unit does not already own a home. If the new home is partially completed, the value of the partially completed home is also noncountable.
- (4) Household belongings such as furniture, appliances, household decorations, linens and cookware; personal belongings such as jewelry, books and toys, even if of more than usual value.
- (5) Property to which the assistance unit has no ready access, such as property the ownership of which is the subject of legal proceedings (probate, divorce suits, etc.), and irrevocable trust funds that were placed in trust at least 12 months before application for food stamp benefits.

(B) Assistance Unit and Personal Goods, Life Insurance and Pension Funds

Assistance unit goods and personal effects, including one burial lot per assistance unit member and the value of a prepaid funeral arrangement, not to exceed \$1,500, are noncountable assets. A prepaid funeral arrangement may include a contract with a funeral director or a separately identifiable trust fund. Use of any portion of this asset for any purposes other than funeral or burial arrangements shall render the balance of the asset countable under the provisions of 106 CMR 363.130. The cash value of life insurance policies is noncountable provided the insurance policies are not cashed. Pension funds are noncountable assets unless the pension is an Individual Retirement Account (IRA) or a Keogh Plan. IRAs and Keogh Plans are discussed in 106 CMR 363.130(D).

(C) Vehicles

Vehicles, whether licensed or unlicensed, are noncountable. Vehicles include but are not limited to cars, trucks, boats and tractors.

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**(D) Income Producing Property**

Income producing property is a noncountable asset when it is essential to employment or self-employment, or when it annually produces income consistent with its fair market value. The income derived from such property shall be countable.

- (1) Property essential to the employment or self-employment of an assistance unit member includes the following:
  - a. work-related equipment such as the tools of a tradesperson or the machinery of a farmer; and
  - b. property such as farm land.

Property essential to the self-employment of an assistance unit member engaged in farming shall continue to be excluded for one year from the date the assistance unit member terminates his or her self-employment from farming.

Property that is noncountable because it is essential to employment or self-employment need not produce income consistent with its fair market value.

- (2) Property that annually produces income consistent with its fair market value, even if used only on a seasonal basis, is noncountable. Such property includes rental homes and vacation homes. Income shall be considered consistent with fair market value if the income produced is as much as the property could reasonably be expected to produce and is comparable with income produced by similar property in the same area.

When it is necessary to determine if property is annually producing income consistent with its fair market value, the worker shall contact local Realtors, local tax assessors, the Small Business Administration, or other similar sources to determine the prevailing rate of return. An example of the prevailing rate of return is square-foot rental for similar usage of property in the area.

If the AU Manager determines that the property is not annually producing income consistent with its fair market value (for instance, the property is being leased for a token payment), the equity value of the property shall be counted as an asset. Equity value shall be determined in accordance with 106 CMR 363.130(H).

Installment contracts for the sale of land or buildings must annually produce income consistent with their fair market value. This exemption shall also apply to the value of property sold under the installment contract or held as security in exchange for a purchase price that is consistent with the fair market value of the property.

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When the cash value of an asset is not accessible to the assistance unit, the asset is exempt in determining eligibility for food stamp benefits.

Inaccessible assets include, but are not limited to, security deposits on rental property or utilities, property in probate, property that the assistance unit is making a good faith effort to sell at a reasonable price and that has not been sold, and irrevocable trust funds.

(a) Any funds in a trust or transferred to a trust, and the income produced by that trust to the extent it is not available to the assistance unit, shall be considered inaccessible to the assistance unit if all of the conditions listed below are met.

1. The trust arrangement is not likely to terminate during the certification period and no member of the assistance unit has the power to revoke the trust arrangement or change the name of the beneficiary during the certification period.
2. The trustee administering the trust is either (a) a court or an institution, corporation, or organization that is not under the direction or ownership of any assistance unit member; or (b) an individual appointed by the court who has court-imposed limitations placed on his or her use of the funds; or (c) an individual whose responsibilities are governed by the terms of the irrevocable trust and who is not under the direction or control of any assistance unit member.
3. Trust investments made on behalf of the trust do not directly involve or assist any business or corporation under the control, direction, or influence of a member of the assistance unit.
4. Funds held in an irrevocable trust shall be considered inaccessible to the assistance unit if the funds are either (a) established from the assistance unit's own funds, if the trustee uses the funds solely to make investments on behalf of the trust or to pay the educational or medical expenses of any person named by the assistance unit creating the trust, or (b) established from nonassistance unit funds by a nonassistance unit member.

**(2) Verifications**

Verification of the inaccessibility of an asset is mandatory at certification or whenever circumstances regarding the accessibility of the asset have changed. The following documents shall be used, as appropriate, to verify inaccessibility.

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- (a) A copy of the original legal instrument that established the inaccessibility of the asset;
- (b) Relevant legal or financial statements that document the inaccessibility of the asset, if the original legal instrument is not available.
- (c) Documents that demonstrate that the assistance unit member has unsuccessfully attempted to convert the assets into cash.
- (d) Any other documents that show inaccessibility.
- (e) Documents showing how the holder's name(s) appears on the bank account or security.
  - 1. If the account is titled A or B, both individuals have full access to the account;
  - 2. If the account is titled A and B, neither individual has access to the account without the consent of the co-holder. The assistance unit member must submit a written statement from the co-holder denying such consent. If the assistance unit member is unable to obtain such a statement, he or she may submit an affidavit stating that he or she does not have the co-holder's consent;
  - 3. If the account is titled A in trust for B, or A for B, A has full access to the account and B has no access to the account;
  - 4. If the account title contains only one name, that individual has full access to the account.
- (f) Lack of access to a joint or individual account may also be demonstrated by proof that the assistance unit member does not possess the bank book (or term certificate) and cannot obtain it and that bank policy prohibits withdrawal of the funds without the passbook.

If the assistance unit member demonstrates lack of ownership, inaccessibility to the asset or both, the asset is not considered in the determination of eligibility.

(F) Assets of Nonassistance Unit Members

The assets of a nonassistance unit member shall be disregarded when determining the eligibility of the remaining assistance unit members except when the nonassistance unit member is a disqualified nonassistance unit member in accordance with 106 CMR 361.230(D).

The assets of disqualified nonassistance unit members must be considered in accordance with 106 CMR 365.500. The noncountable assets listed in 106 CMR 363.140 are also exempt for disqualified nonassistance unit members.

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**(G) Other Noncountable Assets****(1) Disaster Payments**

Any governmental payments that are designated for the restoration of a home damaged in a disaster are noncountable provided the assistance unit is subject to a legal sanction if the funds are not used as intended. Noncountable assets include payments made by the Department of Housing and Urban Development through the Individual and Family Grant Program, disaster loans or grants made by the Small Business Administration or payments precipitated by an emergency or major disaster under the Disaster Relief Act.

**(2) Assets Prorated as Income**

Assets that have been prorated as income, such as student loans or assets of self-employed persons, are noncountable.

**(3) Home Produce**

Home produce grown or preserved by the assistance unit for its own consumption, are noncountable

**(4) Certain Native American Lands**

Native American lands held jointly with the tribe, or land that can be sold only with the approval of the Department of the Interior's Bureau of Indian Affairs are noncountable as an asset.

Lands held in trust for Native Americans; property purchased with payments made to Native Americans under Public Laws 92-254, 93-134, 94-540 and 94-114; and funds distributed to, or held in trust for, members of any Indian tribe pursuant to a judgment of the Indian Claims Settlements or the Secretary of the Interior under Public Laws 94-114, 93-134, 96-420, 97-458, 98-64 and 102-71.

**(5) Loans, Grants or Scholarships**

- (a) A loan verified by a written document, signed by the borrower and the lender, that expresses the borrower's intent to repay and the conditions of repayment, the terms of which specify the purpose of the loan and preclude its use to meet current living costs.
- (b) Any grant or scholarship to a student, the terms of which preclude its use to meet current living costs.
- (c) Any grant or loan to an undergraduate student for educational purposes made or insured under any program administered by the U.S. Secretary of Education.
- (d) Student financial assistance provided under Title IV of the Higher Education Act of 1965 or under the Bureau of Indian Affairs Education Assistance programs; or student financial assistance for attendance costs, such as, but not limited to, tuition, fees, equipment or books, under programs developed pursuant to the Perkins Vocational and Applied Technology Education Act.

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(6) Assets Exempt by Law

Certain assets are noncountable for food stamp purposes by a specific provision in federal law. The following is a listing of some of the assets excluded by federal law.

- (a) Coupons under a WIC Demonstration Project that can be exchanged for food at farmers' markets.
- (b) Highway Relocation assistance payments, Urban Renewal Assistance payments, disaster relief payments used for relocation, and payments from private agencies used for relocation.
- (c) State and federal earned income credits (EIC), whether received as an advance payment or as part or all of an income tax refund, in the month of receipt and the following month.
- : (d) Payments or allowances made to or on behalf of an assistance unit for energy assistance under any federal, state, or local law. These payments or allowances must be clearly identified as energy assistance by the legislative body authorizing the program or providing the funds.
- (e) Nonliquid assets against which a lien has been placed as a result of taking out a business loan if the assistance unit is prohibited by the security or lien agreement with the lienholder (creditor) from selling the assets.
- (f) Payments to eligible individuals of Japanese ancestry or their survivors under the Civil Liberties Act of 1988, and payments for eligible Aleuts (who were former residents of the Aleutian and Pribilof Islands) or their survivors under the Aleutian and Pribilof Islands Restitution Act, Public Law 100-383.
- (g) Agent Orange Settlement Fund payments made to Vietnam veterans or their survivors, in accordance with Public Law 101-201, effective January 1, 1989.
- (h) Payments made to individuals because of their status as victims of Nazi persecution in accordance with Public Law 103-286.
- (i) The value of assistance to children under the National School Lunch Act or the Child Nutrition Act.
- (j) Crime victim compensation payments under the Crime Act of 1984.



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- (k) Payments (from \$200-\$1200 per month) to the child of a Vietnam veteran disabled in any way by spina bifida.
- (l) Payments made under P.L. 101-426, Section 6(h)(2), the Radiation Exposure Compensation Act.

(7) Assets of Certain Household Members

- (a) The assets of SSI and /or TAFDC assistance unit members shall be considered exempt for food stamp purposes if the assistance unit members receives benefits under one or more of the following titles of the Social Security Act: Title XVI (SSI); Titles I, X, or XIV for the aged, blind, or disabled; or Title IV-A (TANF).
- (b) The assets of individuals for whom state and/or federal foster-care maintenance payments are made, including the child of the foster child when the foster-care maintenance payment includes the child for whom state and/or federal adoption assistance is provided.

(8) TAFDC/FEP - Individual Asset Account

Funds maintained in an Individual Asset Account (IAA) as part of the TAFDC Full Employment Program (FEP) shall be excluded until receipt of such funds by the individual upon termination of FEP employment. Funds received from the IAA upon termination of FEP employment shall be countable.

(9) Reimbursements

Any portion of a Workers' Compensation, property damage, personal injury, Compensation to Victims of Violent Crimes Act, death settlement or award, except for compensation for lost wages, that is received as a reimbursement for specified items and used to pay for such items. See 106 CMR 204.240(B) for verification.

(H) Treatment of Exempt Funds

- (1) Exempt funds kept in a separate account shall retain their exemption for an unlimited period of time.
- (2) Exempt funds that are commingled in an account with other funds shall retain their exemption for six months from the date they are commingled, except that the assets of students and self-employment assistance units that are exempted by 106 CMR 363.140(H)(2) shall retain their exemption for the period of time over which they have been prorated as income. After six months from the date of commingling, all funds in the commingled account shall be counted as an asset.

363.150: Transfer of Assets

Transfer of assets made by an assistance unit member, ineligible noncitizen, or disqualified nonassistance unit member in the three months prior to application or any time during an assistance unit's certification period may result in assistance unit disqualification.

(A) Transfers Resulting in Disqualification

At the time of application, assistance units shall be asked to provide information regarding any assets that an assistance unit member (or ineligible noncitizen or disqualified nonassistance unit member whose assets are being considered available to the assistance unit) has transferred within the three-month period immediately preceding the date of application. Assistance units that have transferred assets knowingly for the purpose of qualifying for or attempting to qualify for food stamp benefits shall be disqualified from participation in the Program for up to one year from the date of the discovery of the transfer. This disqualification period shall be applied if the assets are transferred knowingly in the three-month period prior to application or if they are transferred knowingly after the assistance unit is determined eligible for benefits. An example of the latter would be assets that the assistance unit acquires after being certified and that are then transferred to prevent the assistance unit from exceeding the maximum asset eligibility limit. When action is taken to disqualify a currently certified assistance unit, advance notice of adverse action and the right to continued benefits pending a hearing decision shall be provided to the assistance unit. The notice shall also include the reasons for and length of the disqualification.

(B) Transfers Not Resulting In Disqualification

Eligibility for the Food Stamp Program shall not be affected by a transfer of assets in the following cases:

- (1) the asset would not otherwise affect eligibility; for example, excluded personal property such as furniture or money that when added to other countable assistance unit assets was less than the allowable limits at the time of the transfer;
- (2) the assets are sold or traded at or near fair market value;
- (3) the assets are transferred between members of the same assistance unit including ineligible noncitizens or disqualified nonassistance unit members; and

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- (4) the assets are transferred for reasons other than qualifying or attempting to qualify for food stamp benefits; for example, a parent placing funds in an educational trust fund.

(C) Determination of Intent

The Department must demonstrate that the assistance unit transferred the asset(s) for the purpose of obtaining or maintaining eligibility for the Food Stamp Program.

The Department shall base its determination on whether the assistance unit had knowledge of the Food Stamp Program, and retained sufficient assets after the transfer was completed to provide for its care and support considering such factors as the assistance unit size, living arrangement, and age and health of the members of the assistance unit.

(D) Period of Disqualification

The length of the disqualification period is based on the amount by which the countable transferred asset, when added to other countable assets, exceeds the allowable asset limit. For example, if a one-person noncategorical assistance unit with \$2,000 in a bank transferred ownership of a car worth \$5,650, only \$1000 of that transfer would be counted because \$4,650 of the car's value was exempt. The following chart will be used to determine the period of disqualification:

Amount in Excess  
of the Asset Limit

Period of  
Disqualification

\$ 0 - 249.99  
250 - 999.99  
1,000 - 2,999.99  
3,000 - 4,999.99  
5,000 - and up

1 Month  
3 Months  
6 Months  
9 Months  
12 Months

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All income to the household, from whatever source, shall be counted when determining a household's eligibility and benefit level except when specifically excluded below. The income considered is that received during the period of certification. Because this period extends into the future, the income considered is usually income which is anticipated by the household. (Categorically eligible households, in accordance with 106 CMR 365.180, do not have to meet either the gross or net income eligibility standards.)

363.210: Verification of Income(A) Initial Application

The existence and amount of all gross nonexempt income shall be verified prior to certifying a household as eligible to participate in the Food Stamp Program. However, when all attempts to verify the income have been unsuccessful because the third party providing the income has failed to cooperate with the household and the worker, and all other sources of verification are unavailable, the worker shall determine an amount to be used for certification purposes based on the best available information. If the household has no income, a statement from the household that it has no income shall be acceptable verification.

(B) Recertification

Verification of income at recertification will be the same as at initial application with the exception of TAFDC, AFDC and RRP food stamp cases subject to TAFDC/AFDC/RRP Monthly Reporting. These cases shall not be required to submit verification of income at redetermination.

(C) Reported Changes

The verification requirements of a reported change are discussed in 106 CMR 366.120.

(D) Verification of Excluded Income

Excluded income (such as loans) may be verified if the information given by the household is inconsistent with statements made by the applicant, other information on the application or previous applications, or with information known to the worker.

(E) Unreported Income

In addition to verifying reported income, the worker may have occasion to explore the possibilities of unreported income during the interview. When the applicant states that he or she has no earnings or other income during the interview, and the applicant is employable, or it appears he or she may be eligible for other benefits such as Social Security, Unemployment Compensation, or public assistance, it may be necessary to verify that he or she is

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not receiving income from such sources. Additional situations in which the possibility of unreported income should be investigated include, but are not limited to: difficulty finding the head of the household at home, seasonal employment in an area that is at its peak season, or shelter costs higher than reported income, provided that nothing in this section shall limit the ability of the Department to verify information from other government agencies.

(F) Expenses Exceeding Income

A household's report of expenses that exceed its income may be grounds for a determination that further verification is required. However, this circumstance shall not, in and of itself, be grounds for a denial. The worker shall instead explore with the household how it is managing its finances, whether the household receives excluded income or has assets, and how long the household had managed under these circumstances.

(G) Methods of Verifying Income

Documentary evidence is the primary source of income verification as defined in Subsection 361.640(A). If other types of verification are used, the worker shall document in the case record why an alternate source was needed. However, where all attempts to verify the income have been unsuccessful because the person or organization that is responsible for providing documentation of the income has failed to cooperate with the household and the worker, and all other sources of verification are unavailable, the worker shall determine an amount to be used for certification purposes based on the best available information.

When verifying that income is exempt as a loan, a legally binding agreement is not required. A simple statement signed by both parties that indicates that this payment is a loan and must be repaid is sufficient verification. However, if the household receives payments on a recurrent or regular basis from the same source but claims the payments are loans, the worker may also require that the provider of the loan sign an affidavit that states that repayments are being made or that payments will be made in accordance with an established repayment schedule.

(1) Earned Income

Following are examples of documents that can be used to verify earned income provided the verification shows the gross wages.

Earned income shall be verified by pay stubs, or pay envelopes or a written statement signed by an employer.

Self-employment income (Sections 365.900 through 365.970) shall be verified by business records, tax returns and other appropriate documents showing gross income and the total business expenses associated with the gross income earned.

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**Food Stamp Program  
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Following are examples of documents that can be used to verify unearned income.

- a. From Applicant - Social Security award letter (changes in benefits will not always be reflected), unemployment compensation award letter, pension award notice, Veterans Administration award notice, correspondence on benefits, Income Tax records, Railroad Retirement award letter, support and alimony payments evidenced by court order, divorce or separation papers, contribution checks.
- b. From Others  
  
Social Security (Form SSA-1610), SDX files, Social Security District Office files, Division of Employment Security, employer's records, union records, Workers Compensation records, Veterans Administration, insurance company records, tax records, Railroad Retirement Board records.

363.220: Countable Income

For food stamp purposes, countable income must be categorized as either earned or unearned.

(A) Earned Income

(1) Wages

All wages and salaries paid to an employee are counted as earned income.

(2) Self-Employment

The total gross income from a self-employment enterprise, including the total gain from the sale of any capital goods or equipment related to the business, excluding the cost of doing business, is counted as earned income. Payments from roomers and boarders are classified as earned self-employment income. Income from rental property shall be considered earned self-employment income only if an assistance unit member actively engages in the management of the property at least an average of 20 hours per week.

(3) Non- Federal Work Study

Non-Title IV (non-federal) work-study earnings and earnings from a fellowship or an assistantship with a work requirement not used to pay educational expenses, as defined in 106 CMR 363.230(D)(3), shall be considered earned income.

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Any income that is not earned is unearned. This includes, but is not limited to, the following unearned income.

(1) Assistance Payments

Income from public assistance programs, such as Transitional Aid to Families with Dependent Children (TAFDC), Emergency Aid to the Elderly, Disabled and Children (EAEDC) or other assistance programs based on need, is counted as unearned income.

(2) Pensions and Social Security

Annuities, pensions, retirement, veterans' or disability benefits, Workers' or Unemployment Compensation, Social Security (RSDI) and SSI benefits and strike benefits are counted as unearned income. Foster care payments are counted as unearned income to the foster care assistance unit when the foster care child or adult is included in the foster care assistance unit's food stamp assistance unit.

(3) Support and Alimony

Support and alimony payments made directly to the assistance unit from nonassistance unit members are counted as unearned income.

Support and alimony payments of up to \$50 per month received as a TAFDC-Related Benefit by an assistance unit with a TAFDC member shall count as unearned income.



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Payments from government-sponsored programs such as the Agricultural Stabilization and Conservation Service Programs, dividends, interest, royalties, and all other direct money payments from any source whatever which can be construed to be a gain or benefit are counted as unearned income.

**(5) Rental Income**

Income from rental property shall be counted as unearned income unless a household member actively engages in the management of the property an average of at least 20 hours per week.

**(6) Trust Funds**

Money withdrawn from trust funds that are excluded from assets under the provisions of 106 CMR 363.140(E) shall be considered income in the month received unless otherwise exempt under 106 CMR 363.230. Dividends from excluded trust funds, which the household has the option of either receiving as income or reinvesting in the trust, are to be considered income in the month they become available to the household, whether collected by the household or reinvested in the trust, unless otherwise exempt under 106 CMR 363.230.

**(7) Deemed Sponsor Income for Sponsored Noncitizens**

For households containing sponsored noncitizens, the income of the sponsor and the sponsor's spouse, if living with the sponsor, shall be deemed as unearned income to the household in accordance with 106 CMR 362.260 and 362.270.

**(C) Garnishments, Managed Income and Certain Vendor Payments****(1) Garnisheed Wages**

Wages earned by a household member that are garnisheed or diverted by an employer, and paid to a third party for a household's expenses, such as rent, are considered earned income. However, if the employer pays a household's rent directly to the landlord in addition to paying the household its regular wages, this rent payment is excluded as a vendor payment. In addition, if the employer provides housing to an employee the value of the housing is not to be counted as income.

**(2) Managed Income**

All or part of a PA grant, which would normally be provided as money payment to the household, that is diverted to a third party(s) or to a protective payee for the purpose of managing a household's expenses is counted as unearned income. However, payments by the Department that would not normally be provided

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in a money payment to the assistance unit, and that are over and above normal public assistance grants are excluded as a vendor payment if they are made directly to a third party for a household expense. This rule applies even if the assistance unit has the option of receiving a direct cash payment.

(3) Certain Vendor Payments

Monies that are legally obligated and otherwise payable to the assistance unit, but which are diverted by the provider of the payment to a third party for household expenses, are counted as unearned income and not excluded as a vendor payment. The distinction is based on whether or not the person or organization making the payment on behalf of an assistance unit is using funds that otherwise are payable to the assistance unit. Funds include wages earned by an assistance unit member and owed to the assistance unit, a PA grant to which an assistance unit is legally entitled, and support or alimony payments in amounts that are legally obligated to an assistance unit member. Even if an employer, agency, or former spouse who owes these funds to an assistance unit diverts them to a third party to pay for a household expense, these payments are still counted as income to the assistance unit. However, if an employer, agency, former spouse or other person makes payments for household expenses to a third party from funds that are not legally obligated to the assistance unit, the payments are considered vendor payments and excluded from income.

(4) Certain Recouped Monies

Monies withheld from a public assistance grant or repaid by the recipient to the public assistance program are considered countable unearned income if the following conditions apply:

- (a) the monies are voluntarily or involuntarily withheld or returned to repay a prior overpayment that was caused by the assistance unit's *intentional* failure to comply with the requirements of another federal or state means-tested program as defined in 106 CMR 360.030, and
- (b) the overpayment is not considered excluded income as stated in 106 CMR 363.230.

(5) Failure to Comply With Another Assistance Program's Requirements

The Department will not increase food stamp benefits when an assistance unit's benefits under another federal or state means-tested program as defined in 106 CMR 360.030 have been decreased (*reduced, suspended or terminated*) due to a failure to comply with a requirement of the program that imposed the benefit decrease subject to the following conditions:

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- a. The Department must make a good faith effort to obtain information regarding the failure to comply from the agency imposing the penalty;
- b. The Department must adjust food stamp benefits when eligible members are added to the food stamp household regardless of whether or not the household is prohibited from receiving benefits for the additional member under another applicable welfare program; and
- c. The Department must adjust food stamp benefits as a result of changes in household circumstances not related to the penalty imposed by another applicable welfare program.

**(6) Payments That Are Not Considered Income**

The following payments are not income for food stamp purposes and should be disregarded when determining a household's eligibility and benefit level.

- a. Child support payments made to TAFDC or AFDC recipients that must be assigned to the Department by the recipient under Title IV-D of the Social Security Act (Child Support Enforcement) to maintain TAFDC or AFDC eligibility are not considered income.
- b. Monies withheld from a public assistance grant or repaid by the recipient to any income source (earned or unearned) or monies received from any income source (earned or unearned) are not considered income if the following conditions apply:
  1. the monies are voluntarily or involuntarily withheld from or returned to the income source to repay a prior overpayment that was caused by any reason other than the household intentionally failing to comply with the requirements of another federal or state needs-based welfare program, such as TAFDC, AFDC, EAEDC or SSI; and
  2. the overpayment is not considered excluded income as stated in 106 CMR 363.230.

**Food Stamp Program  
Financial Eligibility Standards****Chapter 363  
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Only the following kinds of income will be excluded when determining an assistance unit's eligibility and benefit level. All other payments received by assistance unit members are considered countable income.

(A) In-Kind Income and Cash Contributions

Any gain or benefit not in the form of money and provided directly to the assistance unit is excluded from income. For example, meals, clothing, public housing, or produce from a garden would be excluded from income.

Any cash contributions from a non-legally responsible person that are restricted for a specific purpose and provide for a portion of any rent or mortgage, fuel, utilities and/or food or other needs are excluded from income.

(B) Vendor Payments

A vendor payment is a money payment that is not payable directly to the assistance unit, but is paid to a third party for an assistance unit expense.

A vendor payment is excluded from income whenever a person or organization outside the assistance unit uses its own funds to make a direct payment to a assistance unit's creditors or to a person or organization providing a service to the assistance unit. The following are examples of excluded vendor payments.

- (1) If a relative or friend who is not a assistance unit member pays the assistance unit's rent from his or her own funds directly to a landlord, the payment is considered a vendor payment and excluded from income.
- (2) Rent or mortgage payments (housing subsidies) made to landlords or mortgagees by the Department of Housing and Urban Development (HUD), or by state or local housing authorities on behalf of an assistance unit, including utility allowances paid under such programs, are excluded vendor payments.
- (3) Payments made under the Emergency Assistance (EA) program are excluded vendor payments.
- (4) Payments for assistance unit expenses made to a third party and not legally owed to the assistance unit shall be considered excluded vendor payments. The following are examples of such excluded vendor payments.
  - (a) If an employer pays an employee's rent directly to the landlord in addition to paying the employee his or her regular wages, the rent payment shall be considered an excluded vendor payment. Also, if the employer provides housing to an employee, the value of the housing shall be an excluded vendor payment.

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- (b) Payments specified by a court order or other legally binding agreement to go directly to the third party rather than to the assistance unit, and support payments not required by a court order or other legally binding agreement (including payments in excess of amount specified in a court order or written agreement) that are paid to a third party rather than the assistance unit shall be considered excluded vendor payments.
- (5) Payments made by a government agency to a child care institution to provide day care to an assistance unit member are excluded vendor payments.
- (6) Experimental Housing Allowance Program payments made under contracts entered into prior to 1975.

Monies or payments that are not legally owed to the assistance unit can qualify as excluded vendor payments. If the monies or payments paid to the third party are legally owed to the assistance unit, they cannot be excluded.

(C) Infrequent Irregular Incomes

Any income in the certification period that is received too infrequently or irregularly to be reasonably anticipated, but not in excess of \$30 per recipient in a quarter, is excluded.

(D) Educational Loans, Grants, and Scholarships

The following educational loans, grants and scholarships are excluded from income.

- (1) Any grant or scholarship to a student, the terms of which preclude its use to meet current living costs;
- (2) Any grant or loan to an undergraduate student for educational purposes made or insured under any program administered by the U.S. Secretary of Education;
- (3) Student financial assistance provided under Title IV of the Higher Education Act of 1965 or under the Bureau of Indian Affairs Education Assistance programs;
- (4) Student financial assistance for attendance costs, such as, but not limited to, tuition, fees, equipment or books, under programs developed pursuant to the Perkins Vocational and Applied Technology Education Act; and
- (5) Work-study income of undergraduate students under a federally assisted work study program.

**Food Stamp Program  
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All loans, including loans from private individuals as well as commercial institutions, are excluded from income. This includes money received from a loan secured by the equity in the home of an individual who is aged 60 or over (so-called "reverse mortgage").

**(F) Reimbursements****(1) Definition of Excluded Reimbursements**

Reimbursements, for past or future expenses, to the extent they do not exceed actual expenses and do not represent a gain or benefit to the assistance unit are excluded from income. Reimbursements for normal living expenses of the assistance unit, such as rent or mortgage, personal clothing, or food eaten at home, are a gain or benefit and, therefore, are not excluded. To be excluded, these payments must be provided specifically for an identified expense, other than normal living expenses, and used for the purpose intended.

**(2) Examples of Excluded Reimbursements**

- (a) Reimbursements or flat allowances, including reimbursements made to the assistance unit under 106 CMR 362.310(D), for job training-related expenses, such as travel, per diem, uniforms, and transportation to and from the job or training site that are provided over and above basic wages for these expenses, are excluded. However, these expenses, if not reimbursed, are not otherwise deductible. Reimbursements for the travel expenses of migrant workers are also excluded.
- (b) Reimbursements for out-of-pocket expenses of volunteers incurred in the course of their work are excluded.
- (c) Medical or dependent care reimbursements are excluded.
- (d) Reimbursements received by assistance units to pay for services provided by Title XX of the Social Security Act are excluded. Title XX reimbursements for normal living expenses are not excluded under this provision.

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- (e) Any annual allowance earmarked by the Department for children's clothes is excluded, provided the Department does not reduce the monthly assistance grant for the month the school clothing allowance is issued.

(3) Reimbursements for Multiple Expenses

When a reimbursement, including a flat allowance, covers multiple expenses, each expense does not have to be separately identified as long as none of the reimbursement covers normal living expenses.

(4) Reimbursements Exceeding Expenses

The amount by which a reimbursement exceeds the actual incurred expense shall be counted as income. However, reimbursements shall not be considered to exceed actual expenses, unless the provider or the household indicates the amount is excessive.

(5) Nonallowable Reimbursements

Any portion of benefits provided under Title IV-A of the Social Security Act (TAFDC), to the extent such benefits are attributed to an adjustment for work-related or dependent-care expenses (except for payments or reimbursements for such expenses made under an employment, education or training program initiated under such title after September 19, 1988).

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Monies received and used for the care and maintenance of a third party beneficiary who is not an assistance unit member are excluded from income. If the intended beneficiaries of a single payment include both assistance unit and nonassistance unit members, any identifiable portion of the payment intended and used for the care and maintenance of the nonassistance unit member shall be excluded. If the nonassistance unit member's portion cannot be readily identified, the payment shall be evenly prorated among intended beneficiaries and the exclusion applied to the nonassistance unit member's pro rata share or the amount actually used for the nonassistance unit member's care and maintenance, whichever is less.

**(H) Earnings of Elementary or Secondary School Students**

Earned income of a student under age 18 who attends elementary or secondary school or classes to obtain a General Equivalency Diploma (GED) at least half-time and lives with a natural, adoptive or step-parent, is under the control of an adult assistance unit member other than a parent, or is certified in a separate food stamp assistance unit but lives with a natural, adoptive or step-parent is excluded. This exclusion continues during temporary interruptions in school attendance due to semester or vacation breaks, provided the student's enrollment will resume following the break. If the student's earnings or the amount of work performed cannot be differentiated from that of the other assistance unit members, the total earnings shall be prorated equally among the working members and the student's pro rata share excluded.

**(I) Nonrecurring Lump Sum Payments**

Money received in the form of nonrecurring lump sum payments is noncountable income. For example, tax refunds, rebates or credits, retroactive lump sum Social Security or SSI benefits, PA payments, Railroad Retirement benefits, retroactive lump sum insurance settlements, refunds of security deposits on rental property and utilities are noncountable income. These payments shall be counted as an asset in the month received unless exempt from consideration as an asset in accordance with 106 CMR 363.140.

**(J) The Cost of Producing Self-Employment Income**

The cost of producing self-employment income is excluded from income in accordance with 106 CMR 365.900 through 365.970.



**Food Stamp Program  
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Certain income is excluded for food stamp purposes by specific provisions in federal law. The following is a current listing of income excluded by federal law:

- (1) Highway Relocation assistance payments, Urban Renewal Assistance payments, disaster relief payments used for relocation, and payments from private agencies used for relocation;
- (2) The tax-exempt portions of payments made under the Alaska Native Claims Settlement Act;
- (3) Funds distributed to or held in trust for members of any Indian tribe pursuant to a judgment of the Indian Claims Settlements or the Secretary of the Interior;
- (4) Payments to Native Americans under Public Laws 92-254, 93-134, 94-114, 94-540, 96-420, 97- 458, 98-64 and 102-71, including interest income from these payments;
- (5) Payments to, or reimbursement given to, volunteers serving as foster grandparents, senior health aides, or senior companions, or serving in the Service Corps of Retired Executives, or in VISTA, or in any other program established under the Domestic Service Act of 1973;
- (6) Youthbuild or Americorps allowances, earnings or payments to individuals participating in those programs;
- (7) Payments of state or federal earned income credits (EIC) whether received as advance payments of earned income credits or as part or all of an income tax refund;
- (8) Energy assistance payments or allowances as described below:
  - (a) Any payments or allowances made for the purpose of providing energy assistance under any federal law (other than Part A of Title IV of the Social Security Act (42 USC 601 et seq.)), or
  - (b) A one-time payment or allowance made under a federal or state law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device;

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- (9) Funds received by individuals under the Older American Community Service Employment Program pursuant to the Older Americans Act Amendments of 1987, Public Law 100-175;
- (10) Cash donations based on need that are received from one or more private nonprofit charitable organizations, not in excess of \$300 aggregate per quarter, pursuant to the Charitable Assistance and Food Bank Act of 1987, Public Law 100-232;
- (11) Payments for eligible individuals of Japanese ancestry or their survivors under the Civil Liberties Act of 1988, and payments up to \$12,000 per person for eligible Aleuts (who were former residents of the Aleutian and Pribilof Islands) or their survivors under the Aleutian and Pribilof Islands Restitution Act, Public Law 100-383;
- (12) Agent Orange Settlement Fund payments made to Vietnam veterans or their survivors, in accordance with Public Law 101-201, effective January 1, 1989;
- (13) Payments made to individuals because of their status as victims of Nazi persecution in accordance with Public Law 103-286;
- (14) Payments (from \$200-\$1200 per month) to the child of a Vietnam veteran disabled in any way by spina bifida;
- (15) Payments made under P.L. 101-426, Section 6(h)(2), the Radiation Exposure Compensation Act;
- (16) The value of assistance received under the Child Nutrition Act of 1966 and the National School Lunch Act;
- (17) Any amount by which the basic pay of an individual is reduced under the Veterans Benefits Improvement and Health Care Authorization Act shall revert to the Treasury and not be considered to be received by or in control of such individual;
- (18) Coupons under a WIC Demonstration Project that can be exchanged for food at farmers' markets;
- (19) No service provided to a public housing resident under the Cranston-Gonzales National Affordable Housing Act;

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- (20) Crime victim compensation payments under the Crime Act of 1984;
- (21) The value of any child care provided under the Child Care and Development Block Grant Act;
- (22) The amount of home energy assistance payments or allowances under the Low Income Home Energy Assistance Act; and
- (23) Payments precipitated by an emergency or major disaster under the Disaster Relief and Energy Assistance Amendments of 1988.

(L) Income of Nonassistance Unit Members

The income of a nonassistance unit member shall be excluded when determining the eligibility of the remaining assistance unit members, except when the nonassistance unit member has been disqualified in accordance with 106 CMR 361.230. The income of a disqualified nonassistance unit member must be considered in accordance with 106 CMR 365.520.

(M) Payments Made to FS/ET Participants

Any payment for education- and/or training-related expenses received in the FS/ET program, Employment Services Program (ESP), in JTPA programs, or from other agencies and organizations that are nonduplicative of payments and are provided for specific goods or services. These costs include, but are not limited to, dependent care costs, transportation, and other expenses related to work, training or education, such as uniforms, personal safety items or other necessary equipment, and books or training manuals. These costs shall not include the cost of meals away from home. Also, the value of any dependent care services provided for or arranged under 106 CMR 362.310(D)(5) would be excluded.

The first \$130 per month of training stipends including, but not limited to payments from the Department of Employment and Training (DET) or the Massachusetts Rehabilitation Commission (MRC). The balance of the stipend is treated as unearned income, which is countable unless specified as noncountable under another provision of these regulations.

(N) Income of SSI Recipients and PASS Funds

Income of an SSI recipient necessary for the fulfillment of a Plan for Achieving Self-Support (PASS) is excluded from income.

The PASS program allows persons who receive or who might qualify to receive SSI benefits to develop a plan in which the goal is to become employed. The PASS must be approved by the Social Security Administration (SSA). Approval of the PASS by the SSA permits the individual to set aside a specified amount of money to be used or deposited into a special bank account for future use.

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These specified funds are to be used to achieve the work goal stated in the approved PASS. These are the funds that shall be excluded from income in determining food stamp eligibility and benefit level.

PASS funds may include, but are not limited to, earned income or unearned income, such as social security or unemployment compensation benefits, or funds from an insurance settlement. SSI benefits are not used as PASS funds and, therefore, are still considered countable income for food stamp purposes.

Exclusion of PASS funds from income for food stamp purposes is verified by a copy of the PASS agreement and the PASS approval letter from the SSA.

PASS funds are not counted as assets because the assets of an assistance unit member who receives SSI are excluded for food stamp purposes, in accordance with 106 CMR 363.140(H)(5).